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SUPREME COURT, U.S.

No. 98-179

In The

Supreme Court of the United States

October Term, 1997

PANDUIT CORP.,

Petitioner,

v.

THOMAS & BETTS CORPORATION AND
THOMAS & BETTS HOLDINGS, INC.,

Respondents.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Seventh Circuit**

RESPONDENTS' BRIEF IN OPPOSITION

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QUESTION PRESENTED

Respondents believe the "QUESTION PRESENTED FOR REVIEW" in the petition is incomplete and argumentative. Respondents believe that a fair statement of the question presented for review is as follows:

> Where the federal Lanham Act provides a cause of action for infringement of the distinctive, nonfunctional trade dress embodied in a product configuration, is the claim automatically barred by virtue of the product configuration having been incidentally disclosed but not claimed in a long-expired patent issued pursuant to the federal patent laws, or did the Seventh Circuit correctly hold that the functionality doctrine provides a means for resolving any tension between the federal Lanham Act and the federal patent laws?

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CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

In addition to Article I, Section 8, Clause 8, of the United States Constitution quoted in the Petition (at 2) and the U.S. patent laws codified at Title 35 of the United States Code, the present Petition also involves Article I, Section 8, Clause 3 of the United States Constitution, which provides that Congress shall have the power "[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes . . . ", and the federal Trademark Act of 1946 (the "Lanham Act"), 15 U.S.C. §§ 1051 *et seq.*

The trade dress infringement claim against petitioner Panduit Corp. ("Panduit") filed by respondents Thomas & Betts Corporation and Thomas & Betts Holdings, Inc. (collectively "T&B") was brought under Section 43(a)(1) of the Lanham Act, 15 U.S.C. § 1125(a)(1), which reads in pertinent part as follows:

> Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . .

shall be liable in a civil action by any person who believes that he or she is likely to be damaged by such act.

STATEMENT OF THE CASE

A. The Preliminary Injunction And Its Reversal

In around 1962, T&B began selling a barbed cable tie having an oval-shaped head. T&B has sold enormous quantities of its cable tie with the oval-shaped head continuously for over three decades. Many customers came to refer to T&B's product generically as a "barbed tie" or "barb tie."

In 1994, Panduit introduced a substantially identical barbed cable tie having an identical oval-shaped head, which Panduit admittedly copied from T&B's established product. Panduit also adopted BARB-TY as its purported trademark. T&B promptly filed suit in the United States District Court for the Northern District of Illinois asserting, *inter alia*, trade dress infringement under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). T&B also asserted a claim seeking cancellation of Panduit's federally registered trademark BARB-TY.

In December 1994, the district court (Magistrate Judge Ronald Guzman presiding) granted T&B a preliminary injunction on its trade dress infringement claim. *Thomas & Betts Corp. v. Panduit Corp.*, 34 U.S.P.Q.2d (BNA) 1545 (N.D. Ill. 1994). The district court concluded, *inter alia*, that T&B was likely to succeed at trial on the four key issues: that T&B's oval-shaped head had become distinctive by acquiring secondary meaning and was thus

a valid trademark; that Panduit's sale of an essentially identical product was likely to cause confusion in the marketplace; that Panduit's defense of functionality was likely to fail; and that Panduit's contentions regarding the effect of an expired patent covering certain mechanical features of T&B's cable tie were unavailing.

In considering the issue of likelihood of confusion, the district court noted that while the parties' names and/or logos were stamped on the cable ties, this was of little help in avoiding confusion, because those identifiers were "so small as to be almost impossible to read without a purposeful determined study of the product." *Id.* at 1558. The district court also noted that Panduit's decision to call its new product BARB-TY made confusion even more likely as to those customers who had become accustomed to calling T&B's product by the descriptive phrases "barb tie" and "barbed tie," which had been used in connection with T&B's product for almost 30 years. *Id.*

On December 23, 1994, a panel of the Seventh Circuit denied a motion by Panduit to stay the preliminary injunction. *Thomas & Betts Corp. v. Panduit Corp.*, 34 U.S.P.Q.2d (BNA) 1607 (7th Cir. 1994). It held that Panduit's argument that "when [T&B's] patent expired the entire product fell into the public domain and became freely copyable" was a considerable overstatement. *Id.* at 1608. It further held that Panduit was unlikely to overturn the district court's findings that, *inter alia*, the nonfunctional oval-shaped head served a role similar to the T&B logo and other identifying marks. *Id.* In 1995, a different panel of the Seventh Circuit reversed the preliminary injunction. *Thomas & Betts Corp. v. Panduit Corp.*,

65 F.3d 654 (7th Cir. 1995) (*"T&B I"*), *cert. denied*, 516 U.S. 1159 (1996).

Reading the STATEMENT OF THE CASE in Panduit's present Petition, one comes away with the impression that the Seventh Circuit reversed on the basis of Panduit's "expired patent" argument. The reality is otherwise. In *T&B I*, the Court held that T&B had failed to establish *on the record as it then existed* that its oval-shaped head was protectable trade dress, since the Court believed that T&B was not likely to succeed in establishing that the oval-shaped head had acquired secondary meaning. 65 F.3d at 660-64. Having decided the appeal on that basis, the Seventh Circuit in *T&B I* explicitly stated that it was unnecessary to decide the expired patent issue, notwithstanding its *dicta* on that subject. *Id.* at 657-60. (Moreover, in the Seventh Circuit's later decision reversing summary judgment for which review is now sought, the same panel of the Court acknowledged that its prior discussion was "purely dicta . . . since the outcome of the case was resolved on another basis. . . ." Pet. App. at 18a n.4.)

Panduit also contends that T&B adopted its position in *T&B I* in an effort to distinguish *Vornado Air Circ. Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995), *cert. denied*, 516 U.S. 1067 (1996). (Pet. at 5.) But as Panduit well knows, *Vornado* was decided on July 5, 1995, several weeks *after* the May 15, 1995 oral argument in *T&B I*. Thus, T&B plainly did not develop arguments in *T&B I* to distinguish *Vornado;* the Seventh Circuit's *dicta* relating to *Vornado* was written without the benefit of any input from the litigants.

B. The Summary Judgment And Its Reversal

On August 15, 1996, with the case reassigned to Magistrate Judge Morton Denlow, the district court granted summary judgment against T&B on all four key trade dress issues. *Thomas & Betts Corp. v. Panduit Corp.*, 935 F. Supp. 1399 (N.D. Ill. 1996). (Pet App. at 48a-85a.) The district court subsequently granted summary judgment against T&B regarding T&B's claim that BARB-TY was generic. *Thomas & Betts Corp. v. Panduit Corp.*, 940 F. Supp. 1337 (N.D. Ill. 1996).

T&B appealed, and the same panel of the Seventh Circuit which had decided *T&B I* reversed, rendering the opinion for which Panduit now seeks review. *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir. 1998) ("*T&B II*"). (Pet. App. at 1a-47a.) The Seventh Circuit held that the "safeguard" against trademark rights impermissibly extending a patent monopoly is the functionality doctrine; and that an expired patent provides nondispositive evidence of functionality. (Pet. App. at 16a-17a.)

In the STATEMENT OF THE CASE in Panduit's present petition, after incorrectly describing *T&B I*, Panduit describes *T&B II* thusly: "This time, however, the court abandoned its 'right to copy' rationale, [and] replaced it with a 'no right to copy' rationale. . . . " (Pet. at 7.) Panduit thereby mischaracterizes *both* of the Seventh Circuit's opinions in a single sentence. As just explained, the Seventh Circuit had never adopted the "right to copy" as its "rationale" in *T&B I*; its discussion of the right to copy was *dicta*. Nor was the Seventh Circuit's latest decision based on a "no right to copy" rationale. In actuality, the Seventh Circuit acknowledged the right to copy which

exists as a general proposition, but concluded based upon established jurisprudence that such right is "far from absolute." (Pet. App. at 13a-14a.)

Panduit's dismissal of the Seventh Circuit's decision in *T&B II* through its quotation of a single sentence (Pet. at 7) hardly does justice to the Seventh Circuit's exhaustive analysis of precedent on the patent-trade dress relationship; its careful consideration of the factual distinctions between the present case and prior cases; and its thoughtful efforts to harmonize the underlying policies of the patent laws and the Lanham Act in a manner which eliminates the occasional tension between those laws. Panduit says virtually nothing about the Seventh Circuit's conclusions regarding the other issues in the case, some of which will be shown *infra* to undermine the arguments and assumptions in Panduit's petition.

For example, on the issue of secondary meaning, the Seventh Circuit found several categories of evidence (including extensive evidence which had not been of record in *T&B I*) which supported T&B's contention that its oval-shaped head had acquired secondary meaning. Such evidence included the long period of time – both before *and after* T&B's patent expired – during which T&B continuously and exclusively produced the oval-headed cable ties before Panduit introduced its product. While Panduit says it introduced its product "[s]everal years" after T&B's patent expired in 1982 (Pet. at 4), in actuality, as the Seventh Circuit noted (Pet. App. at 32a), more than ten years had elapsed since T&B's patent had expired, which was more than double the statutory period for establishing *prima facie* evidence of secondary meaning under 15 U.S.C. § 1052(f). Thus, as the Seventh Circuit

also noted, the evidence demonstrated that the secondary meaning associating the oval-shaped head with T&B was caused by something other than T&B's expired patent. (Pet App. at 28a.)

On the issue of likelihood of confusion, the Seventh Circuit concluded that the embossing of company names on the cable ties did not preclude infringement. Much like the district court had concluded four years earlier in granting T&B's motion for a preliminary injunction, the Seventh Circuit stated that the company names "are especially difficult to see on smaller ties . . . and can only be seen after the tie is turned and manipulated." Thus, questions of fact were found to exist on whether the names being stamped on each tie prevented confusion (Pet. App. at 34a), and "whether Panduit did all that it can to prevent confusion" (*id.* at 35a).

Finally, on the issue of functionality, the Seventh Circuit considered T&B's expired patent as one piece of evidence on the issue of functionality. (As discussed *infra*, this was consistent with the role assigned to expired patents by several other courts in trade dress litigation.) The Court of Appeals concluded that, in view of other evidence favoring T&B on the functionality issue, it was improper to decide how much weight should be assigned to the expired patent in the context of a summary judgment motion. (Pet. App. at 42a.)

After the Seventh Circuit denied Panduit's petition for rehearing with suggestion for rehearing *en banc* (Pet. App. at 86a), Panduit sought to delay the resumption and conclusion of proceedings in the district court by moving the Seventh Circuit to stay the issuance of its mandate. By

order dated May 14, 1998, the Seventh Circuit denied Panduit's motion. Also, after obtaining a three-month extension of time in which to do so, Panduit filed its present petition on July 28, 1998.

REASONS FOR DENYING THE WRIT

A. The Seventh Circuit's Decision Is Not In Conflict With Precedent Of The Supreme Court Or The Sixth Circuit

1. The Seventh Circuit's Decision Is Consistent With The Latest Decisions Of The Supreme Court And The Sixth Circuit

Panduit's principal argument in favor of *certiorari* is the contention that the Seventh Circuit's decision is "squarely in conflict" (Petition at i) with a 102-year-old decision of this Court, *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169 (1896), and a 43-year-old decision of the Sixth Circuit, *West Point Mfg. Co. v. Detroit Stamping Co.*, 222 F.2d 581 (6th Cir. 1955). But Panduit ignores the fact that the Seventh Circuit's opinion is fully consistent with a Supreme Court decision decided 68 years after *Singer*, namely *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), as well as a Supreme Court decision issued just three years ago, *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159 (1995). The Seventh Circuit is likewise in harmony with a Sixth Circuit case decided only seven years ago, *Esercizio v. Roberts*, 944 F.2d 1235 (6th Cir. 1991). Both *Compco* and *Esercizio* (which repeatedly cites *West Point*) were repeatedly cited and relied upon by the Seventh Circuit, but neither is mentioned in Panduit's

Petition. Both *Compco* and *Esercizio* support the Seventh Circuit's conclusion that "the right to copy . . . is far from absolute" (Pet. App. at 13a), while *Qualitex* supports the Seventh Circuit's conclusion that the functionality doctrine provides the necessary safeguard against trademark rights being used to improperly extend patents (*id.* at 16a-17a).

a. *Qualitex*

In *Qualitex,* this Court explained that the functionality doctrine prevents trademark law from inhibiting legitimate competition by allowing a producer to control a useful product feature. 514 U.S. at 164. As this Court further explained:

> If a product's *functional* features could be used as trademarks, . . . a monopoly over such features could be obtained without regard to whether they qualify as patents and could be extended forever (because trademarks may be renewed in perpetuity).

Id. at 164-65 (emphasis added). This Court then provided a hypothetical application of how the functionality doctrine would prevent the creator of a product having a particular *functional* shape from using that shape as a trademark after a patent had expired. (*Id.* at 165.)

b. *Compco*

In *Compco,* after discussing the right to copy a lighting fixture that was found to be unprotectable under the patent laws, the Supreme Court held that a companion state law claim for unfair competition was preempted by

the federal patent laws. After discussing the right to copy materials in the public domain in a general fashion, this Court set forth an important caveat: "If the design is not entitled to a design patent *or other federal statutory protection*, then it can be copied at will." 376 U.S. at 237-38 (emphasis added).

c. *Esercizio*

In *Esercizio*, the Sixth Circuit explained that "trademark protection does not unduly extend the 17-year monopoly guaranteed by the patent laws because the two sources of protection are totally separate. . . . " 944 F.2d at 1241. The court quoted with approval *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964), which had rejected the argument that trademark rights improperly "extend" a patent monopoly – in that case, a design patent. *Mogen David* had held that trademark rights "exist independently" of patent rights, "under different law and for different reasons. Determination of either has no legal effect on the continuance of the other." *Esercizio*, 944 F.2d at 1241, citing *Mogen David*, 328 F.2d at 930. The court in *Esercizio* also made it clear that cases now relied upon by Panduit, such as *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), and *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), involved federal preemption of state law claims, and did not affect the Lanham Act, which constituted "other federal statutory protection of the type contemplated in *Compco*." 944 F.2d at 1241.

* * *

In the present case, the Seventh Circuit reaffirmed its own prior holding that the Lanham Act falls under the

"rubric" of "other federal statutory protection" as set forth in *Compco*. Pet. App. at 14a, citing *Kohler Co. v. Moen, Inc.*, 12 F.3d 632 (7th Cir. 1993). The Seventh Circuit further noted that *Kohler*, in turn, had cited the Sixth Circuit's decision in *Esercizio* for this proposition. (Pet. App. at 141.)

Thus, Panduit's principal argument in favor of *certiorari*, *i.e.*, that the Seventh Circuit's decision is in conflict with decisions of the Supreme Court and the Sixth Circuit, is baseless, since it ignores the most recent pronouncements of the law by the Supreme Court and the Sixth Circuit, which form part of the judicial mainstream into which the Seventh Circuit's decision fits comfortably.

2. Panduit Has Misconstrued The Older Supreme Court And Sixth Circuit Decisions It Cites

In actuality, neither *Singer* nor *West Point* stands for the broad proposition urged by Panduit, that there is a federal right to copy everything disclosed in an expired patent – even nonfunctional, incidentally disclosed, unclaimed configurations which otherwise qualify as valid trademarks under the Lanham Act.

a. *Singer*

Singer was decided 50 years before the enactment of the Lanham Act. As the Seventh Circuit noted, *Singer* is factually distinguishable from the present case. In *Singer*, the Supreme Court explicitly found that the "distinctive character and form" of the Singer sewing machine was the "necessary result" of Singer's patents. Pet. App. at

11a, quoting *Singer*, 163 U.S. at 179. Thus, as one court later observed, the features at issue in *Singer* were *functional*. *In re Honeywell, Inc.*, 497 F.2d 1344, 1348 (C.C.P.A. 1974). Here, in contrast, as the Seventh Circuit found, the oval-shaped head of T&B's cable tie was not "driven" by the components of the cable tie (*i.e.*, the locking mechanism, the tail, etc.) (Pet. App. at 11a), *i.e.*, the utilitarian features claimed in T&B's expired patent.

Panduit's approach to the *Singer* decision appears to be a collateral attack on this Court's 102-year-old decision. Disagreeing with the Supreme Court's opinion in *Singer*, Panduit argues that the shape of the Singer machines *was not* dictated by Singer's patents. (Pet. at 10.) Panduit's "authority" for this argument is the earlier 1889 decision of the *district court*, which was subsequently *reversed* by the Supreme Court. (*Id.*)

Notwithstanding Panduit's argument, the Seventh Circuit plainly cannot be faulted in finding *Singer* to be factually distinguishable because the Seventh Circuit chose to accept the Supreme Court's own summary of the facts (which provided the framework for the Supreme Court's legal analysis), rather than a different version of the facts claimed by Panduit to have been found by the lower court whose decision was eventually reversed by the Supreme Court. Moreover, in the portion of the district court decision quoted by Panduit in its Petition (at 10), the district court was not making findings as to whether the shape of the Singer machines was dictated by patents; it was simply expressing its view of a rule of law as the district court discerned it from prior cases. *Singer Mfg. Co. v. June Mfg. Co.*, 41 F. 208, 213 (N.D. Ill. 1889), *rev'd*, 163 U.S. 169 (1896).

Panduit also repeatedly cites *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945). But *Scott Paper*, a case addressing assignor estoppel, also was decided before the Lanham Act; and the language in *Scott Paper* relied upon by Panduit has twice been acknowledged to be only *dicta*. *T&B I*, 65 F.3d at 659; *T&B II*, Pet. App. at 13a.

Thus, even if *Singer* and other pre-Lanham Act cases had not been effectively superseded by later cases and by the Lanham Act, the Seventh Circuit's conclusion that *Singer* is factually distinguishable was plainly correct, and is no basis for a grant of *certiorari*.

b. *West Point*

In *West Point*, the Sixth Circuit recognized, in its analysis of *Singer* and other Supreme Court cases, the federal right to copy as a general matter. However, *West Point* is consistent with the Seventh Circuit's holding that the right to copy is not absolute. It quoted the RESTATEMENT OF TORTS for the proposition that the "privilege to imitate may be limited by legislative enactment," referring to the patent and copyright laws, and that the privilege is further "qualified" by the law of unfair competition. 222 F.2d at 589.

The Sixth Circuit in *West Point* then analyzed several cases from within and outside the Sixth Circuit where a right to copy was found, not because an expired patent was involved, but because of either a lack of secondary meaning or likelihood of confusion, or that the copied product was functional. *Id.* at 591-96. The *West Point* court, quoting from many of these cases, including prior Sixth Circuit cases, explained the principle that the right

to copy exists unless there is trademark or patent protection. And the *West Point* court itself stated that "[s]haring in the good will of an article unprotected by patent or *trademark* is the exercise of a right possessed by all persons, and is not unfair competition." 222 F.2d at 592 (emphasis added).

Contrary to Panduit's argument that the plaintiff lost by reason of its expired patents, *West Point* turned on a lack of any likelihood of confusion. Indeed, the Sixth Circuit found that the defendant had so clearly and prominently affixed its own name and trademark that the possibility of confusion was "beyond comprehension." 222 F.2d at 596. Where the absence of possible confusion was so manifestly clear, any discussion of the role played by expired patents was plainly unnecessary to the court's holding. And Panduit's attempt to compare the present case with *West Point* (Pet. at 13) begs the question, since the factual issue of whether Panduit clearly identified its product remains unresolved. *See* § B.3, *infra*.

Thus, the Seventh Circuit's present decision is not in conflict with the 1955 *West Point* decision – which, again, was effectively superseded by the Sixth Circuit's 1991 decision in *Esercizio*, which is totally harmonious with the Seventh Circuit's decision.

B. The Seventh Circuit's Decision Is Plainly Correct

1. The "Right To Copy" Is Not Absolute

Attacking the Seventh Circuit's conclusion that the right to copy is "far from absolute" (*see* Pet. App. at 13a), Panduit argues that, where there is an expired patent, a

competitor must be free to "rely with certainty on *all* of the disclosed features of the patented product, and adopt them *in toto*. . . . " (Pet. at 20; emphasis in original.) Panduit's extreme position is plainly incorrect.

To begin with, Panduit's basic premise that the patent laws create an affirmative federal right to copy is at best questionable. As recently explained in *Leatherman Tool Group, Inc. v. Cooper Indus., Inc.*, 131 F.3d 1011 (Fed. Cir. 1997), "the federal patent laws do not create any affirmative right to make, use, or sell anything." *Id.* at 1015. While "the patent laws provide a limited right to exclude others from making, using, or selling the claimed invention for a limited period of time, [the patent laws] afford no affirmative right to make, use, and sell a patented invention." *Id.*

But even assuming that the patent laws themselves are held to create some federal right to copy, this Court has stated that courts should "construe statutes . . . to foster harmony with other statutory and constitutional law. . . . " *Digital Equip. Corp. v. Desktop Direct, Inc.*, 511 U.S. 863, 879 (1994); *see also Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1018 (1984) (where two statutes are capable of coexistence, it is the duty of the courts to regard each as effective, absent a clearly expressed congressional intention to the contrary). Here, the Seventh Circuit recognized that there was a tension between trademark protection of product configurations and patent law (Pet. App. at 9a), and concluded that, "the safeguard against

an impermissible extension of a patent monopoly by a trademark . . . is the functionality doctrine: a configuration of an article cannot receive trademark registration if its purpose is to contribute functional advantages to the article or if the configuration results from functional considerations." (*Id.* at 16a.)

Clearly, the Seventh Circuit was correct. No real patent/trade dress "conflict" exists unless the enforcement of Lanham Act rights effectively extends the limited patent monopoly in the claimed invention. And the risk of such an extension may only arise where competitors have a need to employ a particular functional feature claimed in a patent, absent which they will suffer competitive disadvantage. *Qualitex, supra.* When that occurs, sensitive balancing of the patent laws and the Lanham Act through the functionality doctrine may require that Lanham Act rights give way to the policies of the patent laws.

But where the patent discloses some merely incidental (*i.e.*, nonfunctional) aspect of a product, such as the aesthetic shape of one component, there is no risk of monopoly extension, since alternatives are available. Thus, the absence of any competitive need to copy a feature may require the policies of the patent laws to give way to the policies of the Lanham Act to prevent competitively unnecessary copying of distinctive and nonfunctional features in a way that is likely to confuse innocent purchasers. As important as the policies embodied in the patent laws may be, surely Congress never intended that those policies should *always* supersede the equally important policies behind the Lanham Act's national protection of trademarks, which "protect the ability of consumers to distinguish among competing producers" and "secure to

the owner of the mark the goodwill of his business," which "foster[s] competition and the maintenance of quality by securing to the producer the benefits of a good reputation." *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985) (quoted in Pet. App. at 7a).

To be sure, the Seventh Circuit did not ignore the potential significance of an expired patent. It recognized that an expired patent constitutes "some evidence" of functionality (Pet. App. at 17a), an approach which had been followed by numerous other courts, including *Best Lock Corp. v. Schlage Lock Co.*, 413 F.2d 1195, 1199 (C.C.P.A. 1969); *Dogloo, Inc. v. Doskocil Mfg. Co.*, 893 F. Supp. 911 (C.D. Cal. 1995); and a recent case cited in Panduit's Petition (at 19), *Atlantis Silverworks, Inc. v. 7th Sense, Inc.*, 42 U.S.P.Q.2d (BNA) 1904, 1910-11 (S.D.N.Y. 1997).

Panduit's extreme position includes an assertion that whenever a product has had patent protection, it is thereafter disqualified from protection under the Lanham Act. Thus, Panduit argues that "when a patent expires, the public is free to use the patent's teachings as found in the written description, drawing, or claims, *and to copy the form of the patented product as marketed by the patent owner during the patent's term*, without liability to the patent owner for Lanham Act trade dress infringement." (Pet. at 21; emphasis added.) Panduit thus suggests that if T&B had marketed a barbed cable tie with, *e.g.*, a triangular-shaped head during the term of the Schwester patent, T&B would be forever disqualified from Lanham Act protection for such triangular-shaped head, *even though it was not disclosed – incidentally or otherwise – in the Schwester patent*. T&B knows of no legal support for such argument, since even the most broadly read *dicta* in Panduit's

cases requires at least that a feature be somehow disclosed in a patent, or that the feature be the "necessary result" of the patent, *Singer*, 163 U.S. at 179, before any purported "right to copy" is even implicated.

Panduit states that the oval shape "was the patent owner's instruction to the public under 35 U.S.C. § 112 on how to use the invention once the patent expired." (Pet. at 14.) In fact, Section 112 simply requires that a patent specification contain a disclosure which is sufficient to "enable" one skilled in the art to make and use "the invention," as well as the best mode contemplated by the inventor for carrying out his "invention." The "invention" referred to in Section 112 is that set forth *in the claims*. *See, e.g., Lindemann Machinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 1463 (Fed. Cir. 1984). As the Seventh Circuit correctly concluded, the oval shape was not part of the invention *claimed* in the Schwester patent. (Pet. App. at 3a, 20a-21a.) While the Schwester patent contained detailed "instruction to the public" as to how to use *the claimed invention* after expiration (*i.e.*, how to locate a metal barb in a slotted head portion through which a tail may pass and lock), the nonfunctional oval shape of the head was not a necessary part of that information.

At the end of the day, Panduit's "bright line" test makes no effort to harmonize the patent laws and the Lanham Act. Instead, Panduit's approach is: "heads" the patent laws win, "tails" the Lanham Act loses. The Seventh Circuit's unwillingness to adopt such an extreme and unprecedented approach could hardly be said to be so "erroneous" as to cry out for Supreme Court attention.

2. Whether T&B's Oval-Shaped Head Is "Functional" Or "Incidental" Remains A Contested Issue Of Fact

Suppose, for example, that T&B's patent draftsman had inadvertently included the distinctive (and obviously nonfunctional) "T&B" logo in the patent drawings which ultimately became part of T&B's now-expired patent. Or suppose the Disney organization had an expired patent on a cable tie in which the drawings and specification disclosed a head having nonfunctional "Mickey Mouse" ears. Under Panduit's sweeping "bright line" rule, the incidental appearance of the T&B logo or the Disney "Mickey Mouse" ears in a patent drawing would constitute an irrevocable dedication of valuable trademark rights and good will to Panduit and other would-be copycats. Even Panduit did not take such an extreme position just a few years ago in this very case. As the Seventh Circuit noted when it denied Panduit's application to stay the preliminary injunction which had been entered in T&B's favor:

> Panduit does not contend, for example, that it could copy the cable tie to the last detail, including the Thomas & Betts logo and similar identifying marks. Non-functional elements of the product's design can serve a role similar to logos and therefore may be protected as trademarks.

Thomas & Betts Corp. v. Panduit Corp., 34 U.S.P.Q.2d 1607, 1608 (7th Cir. 1994).

However, if T&B's oval-shaped head is distinctive and nonfunctional (and the Seventh Circuit found sufficient evidence to warrant a trial on these issues), the

oval-shaped head stands in the same shoes as the T&B logo or the "Mickey Mouse" ears. That being the case, Lanham Act rights in T&B's oval-shaped head should not be extinguished by the expiration of a patent in which the disclosure of the oval-shaped head was incidental to the invention being patented.

Panduit states that the disclosure of the oval-shaped head in T&B's expired patent "was not incidental," as though that were an established or uncontested fact. (Pet. at 14.) With regard to that issue, the Seventh Circuit first correctly held that the oval shape was not part of the invention *claimed* in the Schwester patent. (Pet. App. at 3a, 20a-21a.) Then, in addressing the issue of functionality, after acknowledging that the Schwester patent serves as evidence of functionality, the Seventh Circuit went on to explain that the patent had to be examined in detail to determine whether or not the oval-shaped head was primarily functional or just incidentally appeared in the patent. (*Id.* at 42a.) The district court had erroneously held that the oval-shaped head was part of the invention claimed in the Schwester patent (*id.* at 66a), and then concluded that the oval shape did not appear incidentally (*id.* at 69a). However, the Seventh Circuit held that given the extensive other evidence which persuasively demonstrated nonfunctionality (*see id.* at 38a-42a), the district court had engaged in an improper weighing of evidence, which was inappropriate on summary judgment (*id.* at 42a). Thus, the question of whether the oval-shaped head's disclosure in T&B's patent was "incidental" remains a contested factual issue for trial.

3. Whether Panduit Clearly Marked Its Product Also Remains A Contested Issue Of Fact

Even the cases cited by Panduit which contain broad statements regarding the right to employ material in expired patents have made it clear that second comers may not do so without clearly distinguishing their goods from those of the pioneer. *See, e.g., Singer*, 163 U.S. at 204 (directing lower court to enjoin defendant from using the trademark SINGER without clearly and unmistakably stating that machines made by the defendant were not the product of pioneer company); *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118-121 (1938) (second comer had to use reasonable care to inform public of the source of its product and properly distinguish it from the product of the pioneer company).

Panduit repeatedly asserts that it "clearly identified itself as the source" of its accused cable ties and that it "mark[ed] its products to avoid confusion," including Panduit's use of "the BARB-TY trademark," as though these were uncontested facts. (Pet. at 4, 13, 20.) But as the Seventh Circuit concluded, in view of the difficulty in discerning the names even on close inspection, these remain contested issues of fact (*see* Pet. App. at 33a-36a); and magnified, shaded drawings of the type in Panduit's Petition cannot change that. The Seventh Circuit found evidence supporting T&B's position on all of these factually intensive issues. Factual issues even remain as to whether BARB-TY is a trademark or a generic term. (Pet. App. at 43a-47a.) If the trier of fact concludes that BARB-TY is a generic term, it may further conclude, as did the district court in 1994 (when it granted a preliminary

injunction after an evidentiary hearing), that Panduit's use of BARB-TY exacerbates the likelihood of confusion rather than reducing it. Unless and until Panduit prevails on the foregoing issues, its attempt to characterize this case as one in which it "clearly identified itself as the source" is incorrect.

C. Panduit's Argument May Be Mooted By Further Proceedings In The Lower Courts

The district court in this case granted summary judgment in Panduit's favor on all four key trade dress issues: the patent-trademark interrelationship; secondary meaning; functionality; and likelihood of confusion. (Pet. App. at 48a-85a.) In reversing, the Seventh Circuit disagreed with the district court on the patent-trademark interrelationship (Pet. App. at 5a-22a), and also found that genuine issues of material fact precluded summary judgment in Panduit's favor on the three remaining trade dress issues (*id.* at 22a-42a).

The potentially outcome-determinative trade dress issues of secondary meaning, functionality and likelihood of confusion all remain as contested issues for trial. Panduit will undoubtedly pursue each at trial. If Panduit prevails on just one of those three issues, the subject of Panduit's present petition will become moot.

While T&B believes that it will ultimately prevail in this case, quite obviously that has not yet occurred. But until that occurs, the Seventh Circuit decision represents nothing more than a reversal of summary judgment, and a conclusion that a trial is necessary. Until such time as there is a judgment against Panduit on the merits, the

issue raised by Panduit is not sufficiently ripe as to necessitate this Court's attention.

D. Panduit's "Practical Nightmare" Is Imaginary

Panduit paints a picture of the Seventh Circuit's decision creating a dangerous threat to competition. Not surprisingly, Panduit's arguments are greatly exaggerated.

Panduit suggests that the Seventh Circuit's decision places an undue burden on competitors to avoid marketing products that are likely to cause confusion with distinctive products in the marketplace. But competitors have *always* had to insure that the trade dress of their new products (including product configurations) is not likely to cause confusion with the distinctive, nonfunctional trade dress of established products. As Panduit correctly notes, "[n]on-functional trade dress is of course subject to protection under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), if it is distinctive and if confusion is likely." Pet. at 19, citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992). The purported "burden" of avoiding confusion is no different, irrespective of whether there is an expired or subsisting patent, or whether no patent ever existed.

Panduit also asserts that the advent of patent information via the Internet will lead to a "dramatic" rise in trade dress litigation over features disclosed in expired patents. (Pet. at 17-18, 21.) While the availability of patent information (like *all* information) has surely increased with technological advances, patent information has been available to the public for well over a century. At least as

far back as the CONSOLIDATED PATENT ACT OF 1870, 16 Stat. 198, Congress made provisions for the Commissioner of Patents to make patent models available for public inspection (§ 13) and to provide printed copies of patent documents (§ 20). The current patent statute, in which Congress authorized the Commissioner of Patents to make copies available to public libraries and to exchange them with foreign countries, *see* 35 U.S.C. §§ 12, 13 (1952), has been in effect for over four decades.

E. T&B's Prior Amicus Brief Does Not Support *Certiorari* At This Time In This Case

Panduit argues that the fact that T&B filed an amicus brief in *Vornado Air Circ. Sys., Inc. v. Duracraft Corp.*, 516 U.S. 1067 (1996), urging this Court to grant *certiorari* in that case, is somehow germane to Panduit's present petition. (Pet. at 22-23.) Panduit also notes that, in the spring of 1996, a commentator suggested that the interplay between patent law and trade dress was ripe for Supreme Court review. (*Id.* at 8.) Panduit's reliance upon the situation as it existed in 1996 is misplaced.

In *Vornado,* the Tenth Circuit had entered a final judgment against a trade dress owner which had prevailed on the issues of distinctiveness, functionality and likelihood of confusion. Here, in contrast (as noted above), no final judgment has been entered in anyone's favor. In addition, at the time T&B filed its prior amicus brief, the state of the law was in disarray. The greatest contributor to that disarray was the Seventh Circuit's prior *dicta* in *T&B I,* in which the Seventh Circuit suggested the possibility that the relatively narrow holding

in *Vornado* should be expanded far beyond what the Tenth Circuit itself had suggested.

As often happens when the Supreme Court allows an issue to percolate among the lower courts, the legal landscape changed considerably since 1996. In this very case, the Seventh Circuit has eschewed its prior *dicta* from *T&B I* (Pet. App. at 18a n.4), and has suggested that it might agree with *Vornado* in those rare situations where (unlike the present case) a feature is both explicitly claimed in a patent and essential to the patented invention (*id.* at 17a-18a). As to all remaining situations, the Seventh Circuit has come home to the legal mainstream on the issue of the relationship between the patent and trademark laws, in correctly concluding that the functionality doctrine is the proper vehicle for resolving any tension between the federal patent laws and the federal trademark laws.

As T&B has demonstrated in Section A, Panduit's present effort to show a meaningful conflict *today* between the Seventh Circuit's present decision and prior decisions of the Supreme Court or other courts of appeal is simply unavailing. The fact that T&B and others suggested that an issue warranted Supreme Court intervention in 1996 is no basis for suggesting that the same is true in 1998.

CONCLUSION

The petition for a writ of *certiorari* should be denied.

Respectfully submitted,

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